

## SENATE BILL No. 423

### DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-1.1-21-5.2.

**Synopsis:** Tax credit for low income elderly homeowners. Provides a property tax credit payable from the property tax replacement fund to homestead owners who are at least 65 years of age and who have adjusted gross incomes of less than \$30,000. Appropriates money from the property tax replacement fund to pay for the property tax credits.

**Effective:** July 1, 2003.

### Craycraft

January 21, 2003, read first time and referred to Committee on Finance.

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First Regular Session 113th General Assembly (2003)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2002 Regular or Special Session of the General Assembly.

## SENATE BILL No. 423

A BILL FOR AN ACT to amend the Indiana Code concerning taxation and to make an appropriation.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. IC 6-1.1-21-5.2 IS ADDED TO THE INDIANA  
2 CODE AS A **NEW** SECTION TO READ AS FOLLOWS  
3 [EFFECTIVE JULY 1, 2003]: **Sec. 5.2. (a) This section applies to:**

- 4 (1) **taxable years beginning after December 31, 2003;**  
5 (2) **credit claims filed after December 31, 2003; and**  
6 (3) **property taxes first due and payable after December 31,**  
7 **2004.**

8 (b) **The following definitions apply throughout this section:**

9 (1) **"Dwelling" means:**

- 10 (A) **an improvement to residential real property; or**  
11 (B) **a mobile home not assessed as real property;**  
12 **that an individual uses as the individual's residence.**

13 (2) **"Homestead" means an individual's principal place of**  
14 **residence that:**

- 15 (A) **is located in Indiana;**  
16 (B) **the individual:**  
17 (i) **owns; or**



(ii) is buying under a contract requiring the individual to pay the property taxes on the residence; and

(C) consists of a dwelling and any real estate, not exceeding one (1) acre, that immediately surrounds the dwelling.

(3) "Net property tax bill" means the amount of property taxes due and payable by an individual for a calendar year after the application of all deductions and credits, except for the credit allowed under this section, as evidenced by the tax statements prepared and mailed under IC 6-1.1-22-8.

(4) "Qualifying individual" means an individual who:

(A) is at least sixty-five (65) years of age before January 1 of the year in which the credit allowed under this section is received; and

(B) had an adjusted gross income of less than thirty thousand dollars (\$30,000) for the preceding taxable year.

(c) Each year a qualifying individual may receive a credit against the net property tax bill on the individual's homestead. The amount of the credit to which a qualifying individual is entitled equals the amount determined under STEP FOUR of the following STEPS:

STEP ONE: Determine an amount equal to fifty percent (50%) of the net property tax bill on the homestead for the year.

STEP TWO: Determine the quotient of:

(A) the individual's adjusted gross income (as defined in IC 6-3-1-3.5) for the preceding taxable year; divided by

(B) thirty thousand dollars (\$30,000).

STEP THREE: Determine the product of:

(A) the STEP TWO result; multiplied by

(B) the STEP ONE result.

STEP FOUR: Determine the remainder of:

(A) the STEP ONE result; minus

(B) the STEP THREE result.

(d) An individual who desires to claim the credit under this section must file with the auditor of the county in which the homestead is located a certified statement in duplicate on forms prescribed by the department of local government finance. The statement must be filed during the twelve (12) months before May 11 of the year before the first year for which the individual wishes to obtain the credit under this section. The statement applies for all years for which the credit is allowed and must contain the following information:

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- (1) The individual's full name and complete address.
- (2) A description of the homestead and the number of years that the individual has resided at the homestead.
- (3) Proof of the individual's age.
- (4) The name of any other county and township in which the individual owns or is buying real property.
- (5) Any other information requested by the department of local government finance.

(e) If two (2) individuals own a homestead under a tenancy by the entirety and one (1) or both of the individuals meet the eligibility requirements of this section, the individuals may together receive not more than one (1) credit under this section.

(f) A county auditor with whom a statement is filed under this section shall immediately prepare and transmit a copy of the statement to the auditor of any other county in which the individual who claims the credit owns or is buying real property. The auditor of the other county shall:

- (1) note on the copy of the statement whether the individual has claimed a credit under this section for a homestead located in the other county; and
- (2) return the copy to the auditor of the first county.

(g) Upon receiving a proper credit statement, a county auditor shall:

- (1) allow the credit;
- (2) apply the credit equally against each installment of property taxes payable in that calendar year; and
- (3) include the amount of the credit applied against each installment of taxes on the tax statement required under IC 6-1.1-22-8.

(h) Between January 31 and February 15 of each year, each county auditor shall certify to the department of local government finance the number and amounts of the credits allowed under this section for that calendar year. Upon receiving the certifications, the department of local government finance shall determine the total amount of the credits allowed in each county under this section and shall certify the totals to the department when the department of local government finance certifies the total county tax levies. The department shall distribute to each county from the property tax replacement fund the amount of credits certified for that county by the department of local government finance at the same time and in the same manner as the department distributes the county's estimated distribution under section 4 of this chapter.

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1 Money is appropriated from the property tax replacement fund to  
2 make the distributions.

3 (i) If an individual knowingly or intentionally files a false  
4 statement under this section, the individual must pay the amount  
5 of any credit the individual received because of that false claim  
6 plus interest to the department of local government finance for  
7 deposit in the property tax replacement fund established by section  
8 1 of this chapter.

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